Weekly Earnings for Hired Farmworkers Decrease, and Education Levels Show Little Improvement

Real median weekly earnings for full-time hired farmworkers decreased during the first half of the 1990's, while education levels for farmworkers as a group changed little. The large number of less-educated foreign nationals in the hired farm work force contributed to low education levels.

Hired farmworkers comprise a small share (less than 1 percent) of U.S. wage and salary workers but fill an important need for labor during critical production periods when labor demand exceeds that which can be supplied by farm operators and their families. Typically, hired farmworkers account for about a third of the farm work force with farm operators and unpaid workers accounting for the remaining two-thirds. Despite their importance to agriculture, hired farmworkers continue to be one of the most educationally and economically disadvantaged occupational groups in the United States. During the early 1990's, the median weekly earnings of full-time hired farmworkers actually declined after adjusting for the effects of inflation. The seasonal and sporadic nature of farmwork further limited their earnings and income. At the same time, farmworkers' generally low educational levels have shown little improvement during the last 5 years.

An annual average of 832,000 persons aged 15 and over did hired farmwork each week as their primary employment during 1995, according to data from the Current Population Survey (CPS) earnings microdata file. Hired farmworkers include persons who reported their primary employment during the week as farm managers (7 percent), supervisors of farmworkers (4 percent), nursery workers (3 percent), and farmworkers engaged in planting, cultivating, and harvesting crops or attending to livestock (86 percent). Some of these hired farmworkers work in jobs in agricultural services and other agriculture-related industries.

The number of hired farmworkers decreased 12 percent between 1990 and 1994. This pattern follows a long-term decline in hired farm employment resulting from decreases in the number of farms, increased mechanization, and other technological advances, such as higher yielding crops, improved chemicals, and irrigation equipment, that reduced labor requirements on U.S. farms. The number of farmworkers increased between 1994 and 1995, although the change was not significant.

Large Numbers of Foreign Nationals Contributed to Low Educational Levels of Hired Farmworkers

Hired farmworkers are more likely than all wage and salary workers to be male, younger, never married, and less educated (app. tables 16 and 17). They are also more likely than other workers to be foreign nationals who are citizens of other countries. About 37 percent of hired farmworkers were foreign born, non-U.S. citizens in 1995, compared with 8 percent of all wage and salary workers. Over 90 percent of these foreign nationals employed in farmwork identified themselves as Mexican or Chicano. In contrast, about 30 percent of all foreign nationals employed at wage and salary work in the United States identified themselves as Mexican or Chicano. The majority of these foreign national farmworkers were employed in crop production in the West. The number of foreign nationals doing hired farmwork reported here may include some workers who are in this country illegally. However, illegal workers generally tend to avoid official data collection because of their illegal status and are not likely to be included in these data.

The presence of large numbers of foreign nationals in the farm work force contributed substantially to the low educational levels of hired farmworkers as a group. Almost 90 percent of these noncitizen hired farmworkers had completed less than 12 years of education compared with 45 percent of hired farmworkers who were U.S. citizens. Regardless, both groups had considerably lower educational levels than all U.S. wage and salary workers, of which 13 percent had not completed 12 years of schooling. Unlike most occupations, lack of formal education does not hinder entry to farmwork, but limited schooling serves to limit farmworkers' access to higher paying, more stable nonfarm jobs.

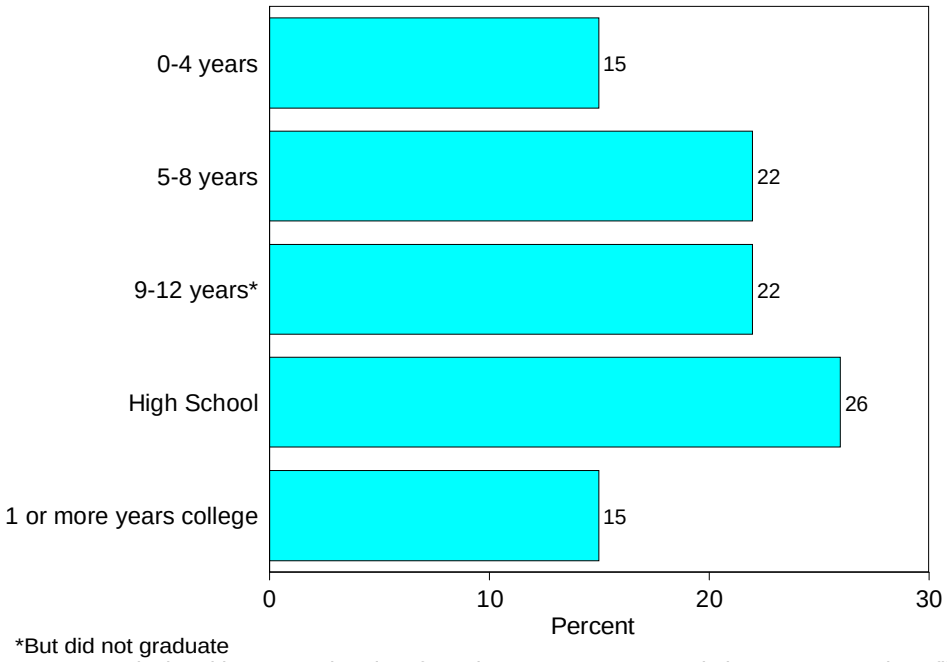
Hired Farmworker Earnings Remained Lower Than Those for Other Workers

Hired farmworkers earned significantly less than most other workers. Among full-time workers (working 35 or more hours per week), hired farmworkers received median weekly earnings of $260, or 65 percent of the median $440 earned by all U.S. wage and salary

Figure 1

Distribution of hired farmworkers by schooling completed, 1995

More than half of farmworkers have not graduated from high school

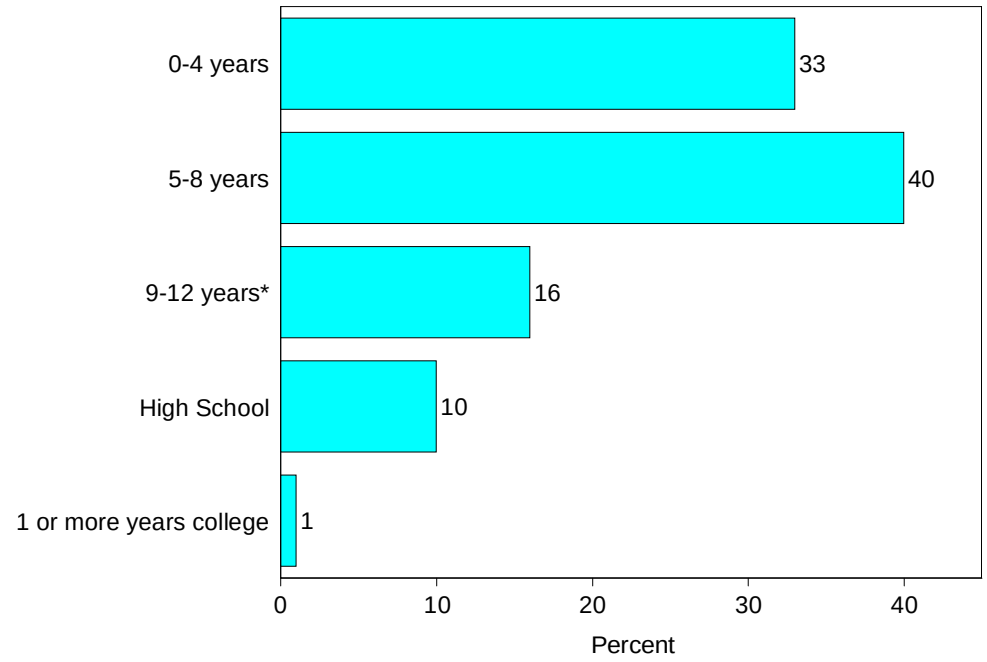


*But did not graduate
Source: Calculated by ERS using data from the 1995 Current Population Survey earnings file.

Figure 2

Distribution of noncitizen hired farmworkers by schooling completed, 1995

Almost three-fourths of non-citizen hired farmworkers have only an elementary education



*But did not graduate
Source: Calculated by ERS using data from the 1995 Current Population Survey earnings file.

workers. Median weekly earnings ranged from $715 for full-time professional specialties to $200 for private household workers, with only private household workers receiving lower weekly earnings than hired farmworkers. Also, weekly earnings for full-time farmworkers deteriorated between 1990 and 1995, falling by 7 percent after adjusting for the effects of inflation. Earnings for all U.S. wage and salary workers increased by 2 percent between 1990 and 1995.

The decline in farmworker earnings is consistent with the apparently declining demand, shown by the downward trend in the number of hired farmworkers employed. At the same time, continued immigration of illegal aliens into this country to do farmwork has insured a constant if not increasing supply of labor. Economic theory suggests that a decline in demand for labor combined with a constant supply of workers will depress wages as competition among workers for a limited number of jobs increases. Local labor shortages could drive wages up in some areas, but most farm labor experts agree that a more than adequate number of workers exists to meet current labor needs at the national level.

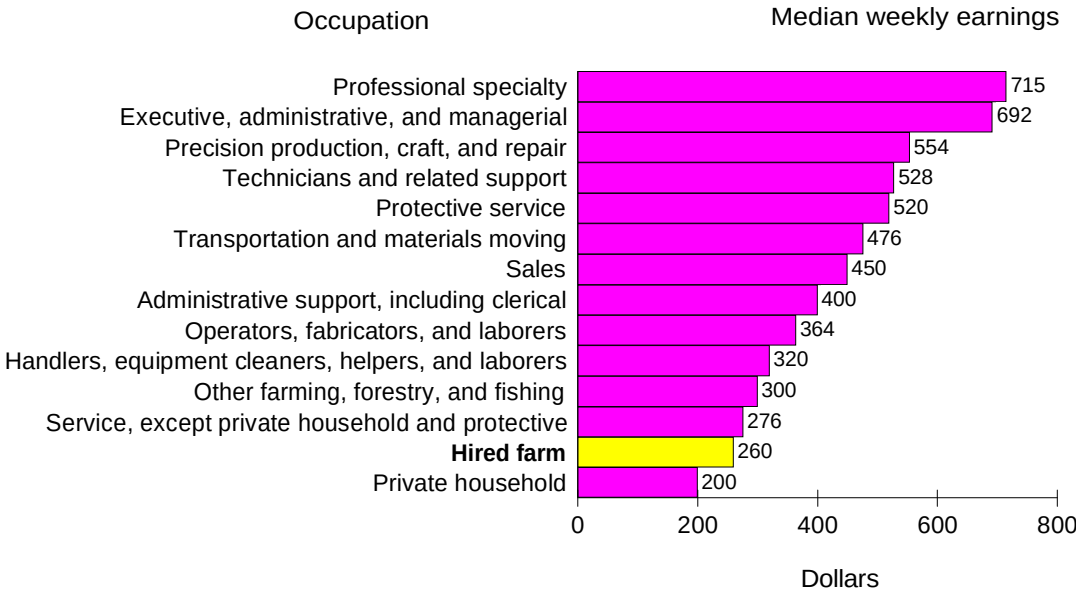
Because of the seasonal nature of agriculture, much hired farmwork is short-term and unsteady. In most areas of the country, labor use increases during the spring as planting and cultivating begin, peaks during the harvest season in late summer and early fall, and drops off sharply in the late fall and winter after the harvest is completed. Florida represents an exception to the usual pattern in that employment peaks in the winter when crops such as citrus fruits, sugarcane, and many vegetables are harvested. As a result, few hired farmworkers have year-round jobs. In 1995, the number of hired farmworkers employed in June was almost 1.5 times the number employed in December.

The seasonality of employment and low earnings make hired farmwork one of the lowest paying occupational groups in the United States. Many hired farmworkers seek nonfarm jobs to supplement their incomes. However, their low education levels and limited labor market skills often make competition for higher wage, nonfarm jobs more difficult.

Figure 3

Median weekly earnings of full-time wage and salary workers by occupation, 1995

Hired farmworkers rank near bottom of major occupational groups



Source: Calculated by ERS using data from the 1995 Current Population Survey earnings microdata file.

Regional Data Show Patterns of Labor Use

Labor expenditure data for hired and contract workers are often used as an indicator of farm labor use and illustrate the relative importance of farm labor across the country. According to data from the Census of Agriculture, farm operators spent over $13 billion for hired and $2.3 billion for contract labor in 1992, accounting for 12 percent of total U.S. farm production expenses. Hired labor expenses include gross salaries and wages as well as supplemental costs for benefits such as employers' Social Security contributions and unemployment compensation. Contract labor expenses include the labor costs for workers furnished on a contract basis by a contractor, crew leader, or cooperative.

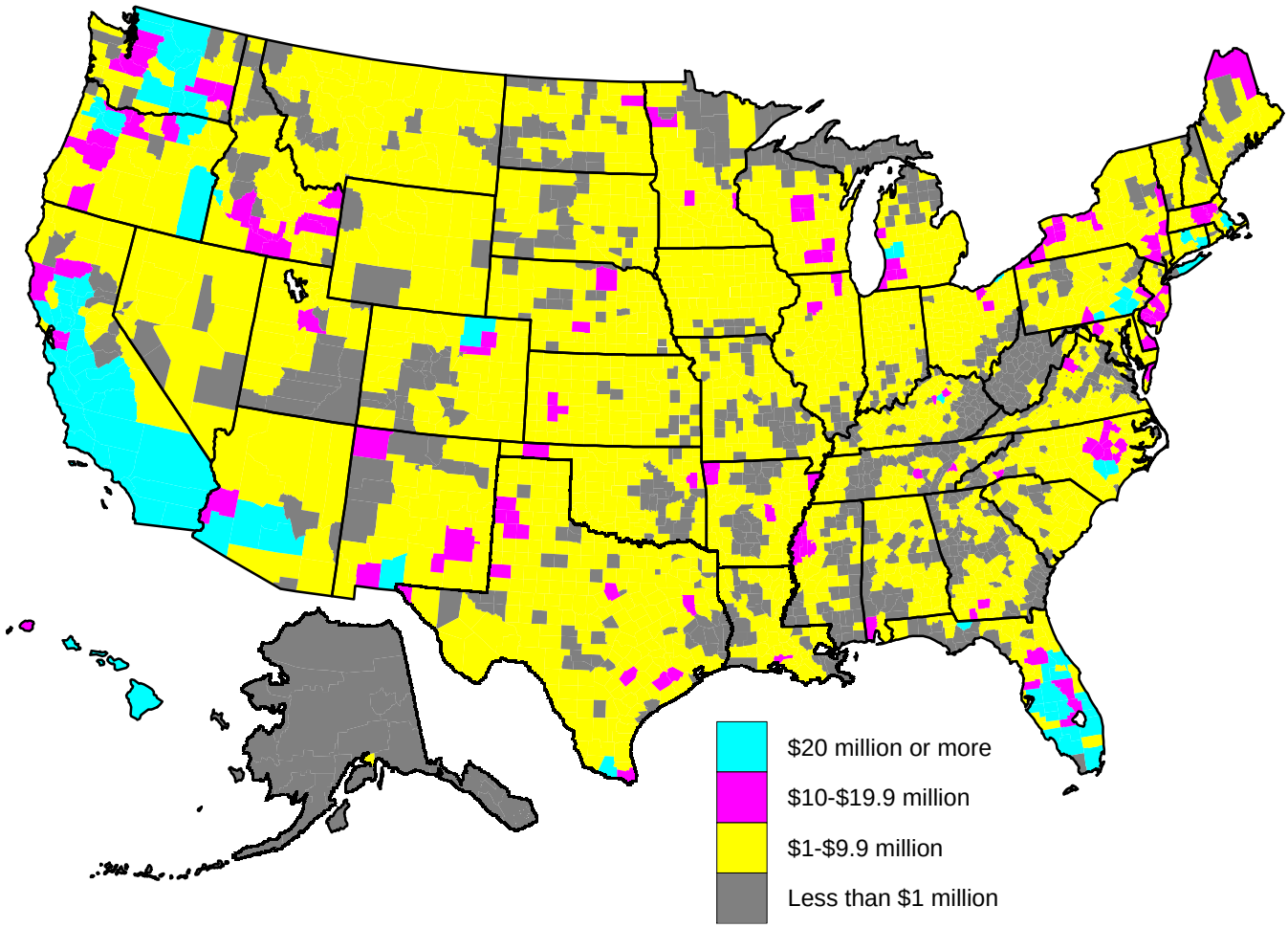
Labor use varies significantly across farms by the type, size, and geographic location of the farm. The largest users of hired and contract labor were fruit and tree nut, vegetable, and horticultural specialty farms. These farms accounted for only 7 percent of farms but 40 percent of all labor expenses. Labor was also concentrated on larger farms with sales of $500,000 or more where the labor needs exceed those provided by the farm family. Large farms accounted for less than 2 percent of U.S. farms but over 50 percent of all labor expenditures.

California had the greatest number of high-labor-expense counties of any State. Fresno County, California, led the country with hired and contract labor expenses of $412 million in 1992, greater than labor expenses in each of 46 States. California accounted for 25 percent of total U.S. farm labor expenses, followed by Florida (7 percent) and Texas (6 percent). In California and Florida, the more-labor intensive fruit and tree nut, vegetable, and horticultural specialty farms were the chief farm types responsible for the high labor expenses. High labor expenses in Texas were due primarily to a large number of less labor-intensive beef, hog, and sheep farms. These three States combined with Washington, North Carolina, Wisconsin, Oregon, and Pennsylvania accounted for over half of all farm labor expenses in 1992. Farm labor issues would be particularly important in these areas where farm labor use is concentrated. However, farm labor use is widespread across the United States and most counties, both metro and nonmetro, had farm labor expenses of at least $1 million in 1992. *[Jack L. Runyan, 202-219-0937, jrunyan@econ.ag.gov, and Leslie A. Whitener, 202-219-0935, whitener@econ.ag.gov]*

Figure 4

Hired and contract labor expenditures, 1992

California, Florida, and Texas counties account for 38 percent of all farm labor expenses



Source: Calculated by ERS using data from the 1992 Census of Agriculture.